

# ORIGINAL FORMAL COMPLAINT



0000016161

BEFORE THE ARIZONA CORPORATION COMMISSION

## COMMISSIONERS

MARC SPITZER - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
MIKE GLEASON  
KRISTIN K. MAYES

2004 DEC 10 A 11:21

AZ CORP COMMISSION  
DOCUMENT CONTROL

Arizona Corporation Commission

**DOCKETED**

DEC 10 2004

DOCKETED BY

*JP*

STAFF of the Utilities Division,

Complainant,

DOCKET NO. W-02105A-04-0880

vs.

MOUNT TIPTON WATER COMPANY, INC.,

Respondent.

IN THE MATTER OF THE APPLICATION OF  
MOUNT TIPTON WATER COMPANY, INC. FOR  
A RATE INCREASE.

DOCKET NO. W-02105A-03-0303

**COMPLAINT**

The Arizona Corporation Commission ("Commission") Utilities Division ("Staff"), for its Complaint and Petition for Relief against Mount Tipton Water Company, Inc. ("Mt. Tipton") alleges the following:

### JURISDICTION

1. The Commission has jurisdiction to hear complaints against public service corporations pursuant to A.R.S. § 40-246. The Commission has jurisdiction to supervise and regulate public service corporations pursuant to Article XV of the Arizona Constitution and Title 40 of the Arizona revised Statutes.

### RESPONDENT

2. Respondent Mt. Tipton is a public service corporation. The Commission authorized Mt. Tipton to provide water service in an area located in Mohave County, Arizona on May 26, 1970, in Decision No. 40644.

1 **BACKGROUND**

2 3. On August 11, 2004, the Commission approved Mt. Tipton's request for a rate  
3 increase in Decision No. 67162.

4 4. Since September 1, 2004, Mt. Tipton has been charging the rates approved by the  
5 Commission in Decision No. 67162.

6 5. In Decision No. 67162, the Commission ordered Mt. Tipton to comply with several  
7 conditions within a specified time period. Mt. Tipton has failed to comply with several conditions  
8 within the allotted time period specified by the Commission.

9 **COMPLAINT**

10 **Count One**

11 6. Staff incorporates the allegations of paragraphs 1-5 into this count.

12 7. Per Commission Decision No. 67162, the Commission ordered Mt. Tipton to file on or  
13 before September 1, 2004, revised rate schedules setting forth the rates and charges authorized in  
14 Decision No. 67162.

15 8. Mt. Tipton has failed to file revised rate schedules setting forth the rates and charges  
16 authorized in Decision No. 67162.

17 9. The failure to file the above revised rate schedules constitutes a violation of  
18 Commission Decision No. 67162.

19 **Count Two**

20 10. Staff incorporates the allegations of paragraphs 1-9 into this count.

21 11. Per Commission Decision No. 67162, the Commission ordered Mt. Tipton to notify its  
22 customers of the rates and charges approved in Decision No. 67162 "by means of an insert in its next  
23 regularly scheduled billing, which insert shall have been reviewed and approved by the  
24 Commission's Utilities' Division Staff, and shall file a copy of the notice with the Commission's  
25 Docket Control Center within 60 days."

26 12. Mt. Tipton has failed to notify its customers of the new rates and charges using the  
27 above procedures.  
28

13. The failure to notify its customers properly of the new rates and charges constitutes a violation of Commission Decision No. 67162.

### Count Three

14. Staff incorporates the allegations of paragraphs 1-13 into this count.

15. Per Commission Decision No. 67162, the Commission ordered Mt. Tipton to “file with the Commission, by October 15, 2004, certification that all its standpipes have been secured and metered; or in the alternative, if all the standpipes have not been secured and metered as of that date, shall instead make a filing explaining why all the standpipes have not been secured and metered as of that date, and shall include a copy of a plan, with projected completion dates, to secure and meter all its standpipes.”

16. Mt. Tipton has failed to follow the above standpipe procedures.

17. The failure to follow the proper standpipe procedures constitutes a violation of Commission Decision No. 67162.

### Count Four

18. Staff incorporates the allegations of paragraphs 1-17 into this count.

19. Per Commission Decision No. 67162, the Commission ordered Mt. Tipton to file, on or before September 1, 2004, an Off-Site Water Facilities Hook-Up Fee Tariff consistent with Exhibit A attached to Decision No. 67162.

20. Mt. Tipton has failed to file an Off-Site Water Facilities Hook-Up Fee Tariff consistent with Exhibit A.

21. The failure to file the proper Hook-Up Fee Tariff constitutes a violation of Commission Decision No. 67162.

### Count Five

22. Staff incorporates the allegations of paragraphs 1-21 into this count.

23. Per Commission Decision No. 67162, the Commission ordered Mt. Tipton to “submit quarterly reports to the Commission’s Docket Control Center, by the 15<sup>th</sup> of the month following the end of each calendar quarter, which reports shall include the following facts: 1) The balance of the Off-Site Water Facilities Hook-Up Fee trust account and interest earned on the trust account; 2)

1 Whether the Company has or has not collected any Off-Site Water Facilities Hook-Up Fees during  
2 the past quarter; 3) The name of each person/entity charged an Off-Site Water Facilities Hook-Up  
3 Fee and the amount charged; and 4) A detailed list of plant items purchased from the Off-Site Water  
4 Facilities Hook-Up Fee trust account, along with purchase amounts.”

5 24. Mt. Tipton has failed to submit the above-described quarterly reports.

6 25. The failure to submit the appropriate quarterly reports constitutes a violation of  
7 Commission Decision No. 67162.

8 **Count Six**

9 26. Staff incorporates the allegations of paragraphs 1-25 into this count.

10 27. Per Commission Decision 67162, the Commission ordered Mt. Tipton to file “by  
11 October 29, 2004, with the Commission’s Docket Control, a copy of its general ledger, including all  
12 corrections, which demonstrate that it has brought its books and records into compliance with the  
13 NARUC Uniform System of Accounts, including listing plant in service by individual account  
14 number and reflecting correct plant balances, accumulated depreciation, and other general ledger  
15 account amounts, in accordance with the adjustments adopted herein.”

16 28. Mt. Tipton has failed to file a copy of the above-described general ledger.

17 29. The failure to file a copy of the proper general ledger constitutes a violation of  
18 Commission Decision No. 67162.

19 **RELIEF**

20 Pursuant to Arizona Revised Statutes §§ 40-421, 40-424, 40-425 and 40-428, Staff seeks the  
21 following relief.

22 30. Staff requests that the Commission order Mt. Tipton to comply with all the  
23 requirements of Commission Decision No. 67162 within 60 days from the effective date of an Order  
24 in this matter.

25 31. Staff requests that the Commission impose a total fine, pursuant to Article XV,  
26 Section 19 of the Arizona Constitution and A.R.S. § 40-425 of up to \$5,000 per count for Counts One  
27 through Six against Mt. Tipton.

32. Staff requests that the Commission provide such additional relief as may be appropriate.

33. Staff requests the issuance of a Procedural Order setting this matter for hearing.

RESPECTFULLY SUBMITTED this 10<sup>th</sup> day of December, 2004.

David Ronald

David M. Ronald  
Attorney, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007  
(602) 542-3402

The original and thirteen (13) copies of the foregoing were filed this 10<sup>th</sup> day of December, 2004 with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Copy of the foregoing mailed this  
10<sup>th</sup> day of December, 2004, to:

Mr. Kelly Schwab, President  
Mount Tipton Water Company, Inc.  
15695 Ironwood Drive  
P. O. Box 38  
Dolan Springs, AZ 86441

Nancy Roe